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OES/STC (MGOLDBERG); OES/IHA (DSINGER AND NCOMELLA)  
BANGKOK FOR RMO, CDC, USAID/RDM/A (MFRIEDMAN)  
DEPARTMENT OF DEFENSE FOR OSD/ISA/AP (LSTERN)  
USAID FOQANE AND GH (DCAROLL, SCLEMENTS AND PCHAPLIN)  
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TAGS: [AMED](#) [AMGT](#) [CASC](#) [EAGR](#) [PINR](#) [SOCI](#) [PGOV](#) [TBIO](#) [VM](#) [HIV](#) [AIDS](#)

SUBJECT: AMBASSADOR'S MEETING WITH MOH VM ON PEPFAR

[1](#)1. SUMMARY/COMMENT: The Ambassador met September 9 with Vice Minister of Health Nguyen Thi Xuyen to discuss the progress of the President's Emergency Plan for AIDS Relief (PEPFAR) in Vietnam, the activities leading to the development of the 06 Country Operational Plan (COP), the development of a plan of action to guide the relationship between the USG PEPFAR Team and Vietnamese Ministry of Health (MOH) and concerns about the supply and cost of branded antiretroviral drugs. They agreed that since June, 2004 when Vietnam became the fifteen focus country, substantial progress has been made in establishing and refocusing programs to meet the PEPFAR country goals. The VM acknowledged the need to continue programs started in the 05 COP but also noted that the program must meet the action plans outlined in Vietnam's National Strategy to Control HIV/AIDS. The VM asked for support of seven priority areas in the 06 COP which would support and strengthen MOH's HIV/AIDS infrastructure.

[1](#)2. The Ambassador emphasized that the expenditures on ARV's will limit the possibility of expanding existing programs. He suggested that Vietnam has three possible options to increase access to ARV's: 1) leveraging funds from donors to purchase ARVs; 2) by working with STADA, the Vietnam-based pharmaceutical company that manufactures ARVs to obtain FDA approval for ARVs produced in Vietnam; and, 3) permitting the importation of FDA-approved generics into Vietnam. MOH representatives of the Drug Administration, Therapy Department, the Vietnam Administration of HIV/AIDS Control (VAAC) and International Cooperation, as well as the Embassy's Health Attache also attended the meeting.

[1](#)3. This 75-minute meeting was frank and constructive. We laid down clear markers about what PEPFAR can do and what is cannot do (i.e., purchase cars). The two sides agreed that since June, 2004 when Vietnam became the fifteen focus country, substantial progress has been made in establishing and refocusing programs to meet the PEPFAR country goals. Lastly, and perhaps most importantly, we focused high-level attention on the critical ARV issues and explored several solutions that would help us overcome PEPFAR's budget shortfalls. In the weeks ahead, we will continue to press hard for movement on the use of generics in Vietnam. END SUMMARY/COMMENT.

[1](#)4. The Ambassador met with Vice Minister of Health Nguyen Thi Xuyen to discuss the progress of the President's Emergency Plan for AIDS Relief (PEPFAR) in Vietnam, the activities leading to the development of the 06 Country Operational Plan (COP), the development of a plan of action to guide the relationship between the USG PEPFAR Team and Vietnamese Ministry of Health (MOH) of the Socialist Republic of Vietnam and concerns about the supply and cost of branded antiretroviral drugs. [NOTE: VM Xuyen has responsibility for PEPFAR within the MOH. END NOTE.]

[1](#)5. VM Xuyen opened the meeting by thanking the United States for naming Vietnam as the fifteen focus country and described Vietnam's system for HIV/AIDS control at the national, provincial and district levels. The National Steering Committee for the Control of HIV/AIDS, Prostitution and Drug Abuse is chaired by Deputy Prime Minister Pham Gia Khiem and Minister of Health Tran Thi Trung Chien is the permanent co-chair. People's AIDS Committees direct activities at the provincial and district level. With respect to PEPFAR, the MOH has been delegated the responsibility to collaborate with the USG team. In response, the MOH organized an Interministerial Coordinating Committee, which is supported by a Technical Committee and Secretariat composed of only MOH staff. To facilitate a

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coordinated response to the epidemic, the MOH had recently reorganized their HIV/AIDS program under a new department, the Vietnam Administration of HIV/AIDS Control (VAAC).

[1](#)6. VM Xuyen then outlined a number of key issues and challenges. The MOH and USG PEPFAR team have been working together on the framework for cooperation which is important

to complete and must be submitted to the Government for approval. The Technical Working Group is assigned to work with the USG Team to finalize the document. While acknowledging the need to continue programs started in 2005, she stressed that the PEPFAR program must contribute to the action plans outlined in Vietnam's National Strategy to Control HIV/AIDS as well as the requirements of the Office of the Global AIDS Coordinator (OGAC). Further, given the number of donors in Vietnam, the MOH recognizes need to balance resources and avoid duplication of effort. The VM asked that the U.S. side consider additional support in the 06 COP for infrastructure development at the national, provincial and district levels to improve care, treatment and diagnosis as well as to expand ARV acquisition and distribution and the transfer of technology from the United States to Vietnam for the production of ARV's to improve pharmaceutical manufacturing.

17. VM Xuyen stressed that coordination and supervision of PEPFAR activities both by MOH and the USG team should be improved through submission of annual reports and periodic site visits of partner activities as well as evaluation of the success of the programs. The Ambassador indicated that the USG team was agreeable to providing the MOH annual reports and noted that March 2006 marked the end of the 05 COP activities and suggested that a program review at that time would be useful.

18. The VM asked for support of seven priorities in the 06 COP which would support MOH's HIV/AIDS infrastructure, in particular the establishment of the VAAC. Dr. Nguyen Thanh Long, Deputy Director of VAAC noted that the MOH Technical Working Group meets with the USG PEPFAR team regularly to evaluate 05 activities and to plan for 06. He requested support for: 1) the VAAC through the purchase of medical equipment, supplies, training including creation of a National Training Center, and for the PEPFAR Coordinating Committee and Technical Committee, particularly for site visits and program evaluation activities; 2) the Provincial HIV/AIDS offices in the form of facilities, lab equipment, vehicles and improving lab capacity; 3) the districts in severely affected areas by HIV/AIDS; 4) the expansion of access to ARV's to 20 provinces (currently USG plans to supply ARV's to six focus provinces); 5) the coordination of the distribution of ARV's from different donors, including the MOH; 6) the integration of HIV/TB programs, which are currently not well integrated; and, 7) the development of policies for improving the technologies of companies in Vietnam which are producing ARV's. The Ambassador said he appreciates the need to expand care and treatment facilities and human capacity, but explained that PEPFAR is a target-driven program focusing on care, treatment and prevention. Not reaching the targets could jeopardize future funding. Many of the items included in the MOH list are being supported in part by the current program, and that the USG was happy to coordinate ARV distribution and would consider supporting the HIV/AIDS National Training Center. Support for buildings, vehicles, computers and other items would not be available through PEPFAR, however for these needs. He suggested that the MOH look to other donors such as the World Bank.

19. The Ambassador complimented the Vice Minister on her good understanding of the PEPFAR program and noted that they both shared the same vision for the program. He also has observed a great improvement in the dialogue between the USG PEPFAR team and the MOH. He then described next steps for the collaboration including the development of an Action Plan, which establishes the working relationship between the MOH and the USG PEPFAR Team. He noted the importance of keeping the language simple and avoiding duplication of language in the Bilateral Agreement on Economic and Technical Assistance signed during Prime Minister Phan Van Khai's trip to the United States in June 2005.

110. The Ambassador emphasized the importance of coordination at all levels to enhance the prevention and control of HIV/AIDS. Noting that the interministerial Coordinating Committee was key to bringing into the dialogue all government entities, he volunteered to meet with the Coordinating Committee and brief them on PEPFAR. He noted that he meets regularly with other donors to discuss how to enhance donor coordination, and that the recent addition of the U.S. Embassy to the Country Coordinating Mechanism of Vietnam's Global Fund Program to Prevent AIDS, Malaria and Tuberculosis also provides another avenue to improve coordination.

111. With respect to planning for 2006, the Ambassador emphasized that the continuation of successful, existing programs is vital and reported that although Vietnam PEPFAR will receive USD 6,000,000 over last year's budget, there is a critical need to ramp up access of ARV's to people living with HIV/AIDS. However, due to the worldwide shortage of branded ARV's, the USG must purchase 18 months of ARV's from 2006 funds to ensure coverage through the period. Unless we

find ways to reduce the cost of these essential drugs, the expenditures on ARV's will block any possibility of expanding existing programs. Vietnam PEPFAR Program sees three possible options to increase access to ARV's: 1) leveraging funds from other donors to purchase ARVs; 2) working with STADA, the Vietnam-based pharmaceutical company that manufactures ARVs to obtain FDA approval for ARVs produced in Vietnam; and, 3) permitting the importation of FDA-approved generics into Vietnam.

¶12. The MOH would welcome the Embassy's assistance in speeding up FDA approval of ARVs produced in Vietnam, VM Xuyen stressed. She assigned the Drug Administration to work with STADA and the USG PEPFAR team to apply for FDA approval. Mr. Truong Quoc Cung, Director of MOH Drug Administrations, noted that drugs produced in Vietnam would be 300-400 percent cheaper than branded ARVs.

¶13. VM Xuyen suggested that the United States consider a fourth approach for expanding ARV provision in Vietnam: having the MOH to purchase STADA ARVs that would then be distributed and administered through existing USG PEPFAR programs.

¶14. The Ambassador responded that the Embassy would explore this idea and pledged to push hard to help STADA complete the FDA approval process. He also asked the Vice Minister for written confirmation of MOH's position on the importation of generic drugs already approved by the FDA.

¶15. The VM and Ambassador agreed that the November 2006 visit to Vietnam by President Bush would be an opportunity to showcase the collaborative efforts of the two countries on HIV/AIDS and illustrate the success of the PEPFAR program.

¶16. The Ambassador told the VM that he was always available to talk with her or her staff about PEPFAR and that he looked forward to having the Action Plan agreed upon and the 06 COP finalized as soon as possible.

¶17. Comment: The MOH continues to wrestle with how to organize its response to the HIV/AIDS threat. At present, VM Xuyen is one of three Vice Ministers responsible for one aspect of the work or another. (The other two are VM Tran Chi Liem, in charge of the USG-funded, Life Gap program, which predates PEPFAR, and VM Trinh Quan Huan, who handles overall HIV/AIDS policy and oversees other donor programs dealing with the epidemic.) While this complicates our work, the USG PEPFAR team, assisted by the Ambassador, will overcome this handicap.

¶18. Comment (continued). This 75-minute meeting was frank and constructive. We laid down clear markers about what PEPFAR can do and what is cannot do (i.e., purchase cars). The two sides agreed that since June, 2004 when Vietnam became the fifteen focus country, substantial progress has been made in establishing and refocusing programs to meet the PEPFAR country goals. Lastly, and perhaps most importantly, we focused high-level attention on the critical ARV issues and explored several solutions that would help us overcome PEPFAR's budget shortfalls. In the weeks ahead, we will continue to press hard for movement on the use of generics in Vietnam.

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